

Judith M. Svenson Suzanne M. Fitch OF COUNSEL

June 3, 2016

VIA EMAIL <u>drawls@fec.gov</u>; jjordan@fec.gov Federal Election Commission Office of Complaints Examination and Legal Administration 999 E Street NW Washington DC 20436

Re: MUR 7007

To whom it may concern:

Please consider the following in regards to the above matter relating to the Citizens for Kyle McCarter Committee (the "state committee").

Essentially, it is alleged generally that the state committee expended funds in support of Candidate Kyle McCarter's run for federal office. In particular, it is alleged that the state committee "lent" the services of Elizabeth Van Holt to the Kyle McCarter for Congress Committee (the "federal committee") and, as such, should be considered an "in kind contribution" to the federal committee.

We attach documentation demonstrating that Ms. Van Holt performed contractual work for Citizens for Kyle McCarter ("the state committee") from January 2015-August 2015 as memorialized in the attached written contract (See Exhibit A, contract between federal committee and Isaiah Consulting). Ms. Van Holt's duties for the state committee included organizing events, donor contact and overall assistance with campaign management. Pursuant to the terms of that contract Isaiah Consulting Group was paid approximately \$33,000.00 for her services. Mrs. Van Holt's duties for the state committee ended as of August 31, 2015. (See Attached Exhibit B, Affidavit of Elizabeth Van Holt).

On October 7, 2015, Kyle McCarter announced his congressional candidacy. Ms. Van Holt has known Kyle McCarter for a long time and has a strong belief in his ability to serve in public office. Ms. Van Holt believes that Kyle McCarter would make an excellent congressman.

In October 2015, Mr. Carter and Ms. Van Holt discussed the possibility of her working for the federal committee. While the parties contemplated a contract between Isaiah Consulting and the federal committee, the committee could not afford her services. It was agreed verbally that Ms. Van Holt would perform part time volunteer services for the federal committee with the possibility of a written contract down the road. Ms. Van Holt's volunteer work for the Federal Committee consisted of some field work and assistance with fundraising. (See Attached Exhibit B).

During the pendency of Ms. Van Holt's volunteer work for the Federal Committee, she continued providing services to other clients of Isaiah Consulting Group. Pursuant to 11 CFR 100.74, the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not a contribution. Thus, Ms. Van Holt's volunteer work on behalf of the federal committee is not an in kind contribution.

Complainant argues that Ms. Van Holt's mere presence at a campaign announcement depicts "work" on behalf of the federal committee. That is the entirety of their "evidence." We have submitted a contract and an affidavit clearly delineating the state vendor's work on behalf of the state committee, and the vendor's performance of volunteer work on behalf of the federal committee. In sum, Complainant has provided no hard evidence that the state committee provided in kind services (through a vendor, Elizabeth Van Holt) to the federal committee.

Thank you for your attention to this matter. Please let us know if you need additional information.

Very truly yours,

SVENSON LAW OFFICES

A. Christine Svenson

cc: Kyle McCarter (via email w/enclosures)

Strategic Advisor Agreement Isaiah Consulting Group

This Strategic Advisor Agreement (the "Agreement") is entered as of January 1, 2015 by and between Kyle McCarter for State Senate ("Company"), and Isaiah Consulting Group ("Advisor").

WHEREAS, Company wishes to engage Advisor in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Company and Advisor agree as follows:

- 1. Advisor's Services. During the Advisory Period, Advisor shall provide strategic advice, guidance, and counseling related to the Company's business and operations and to assist Company in its focus on branding, strategic management and fundraising. Advisor shall provide strategic advice, guidance, and counseling related to the Company's business and operations.
- 2. <u>Term.</u> Unless earlier terminated as provided herein, this Agreement shall remain in effect for a period of 8 months (the "Advisory Period").
- 3. <u>Independent Contractor Status</u>. In the performance of advisory services hereunder, Advisor shall be an independent contractor and not an employee of Company, notwithstanding any title that may be assigned to Advisor.
- 4. <u>Payments: Expenses.</u> For services rendered as set forth in Paragraph 1, Advisor shall be paid at a rate of \$4,125 per month during the Advisory Period.

5. Compliance with Laws; Ethics and Lobbyist Registration; Conflicts

- (a) Advisor will perform all activities under the highest ethical standards and in conformance with all state and federal laws.
- (b) Advisor represents several clients on a variety of matters. Advisor will notify the Company of any conflict or potential conflicts that come to its attention and the Company will notify the Advisor of any conflict or potential conflicts that come to its attention. Further, Advisor agrees not to represent, solicit or pursue any clients that perform the same or similar duties as Company.

6. Termination of Advisory Period.

The Advisory Period may be terminated prior to the end of the initial Advisory Period or any renewal period, upon one (1) days written notice by the either party. In such event, Advisor shall be paid for the period to and including the effective date of termination.

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7. General.

The provisions of this Agreement are severable and if any provision or portion thereof shall be found to be void or unenforceable, such findings shall not affect the validity of enforceability of any other provision or portion thereof. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of Illinois. Any waiver of any provision of this agreement or any amendment to this Agreement must be made in writing and signed by the parties hereto. This Agreement constitutes the entire agreement between Company and Advisor as to the subject matter addressed herein, and states fully all agreements, understandings, promises and commitments between the parties as to such subject matter. Advisor and Company warrant that no promise or inducement has been offered or made except as herein set forth and that the consideration stated herein is the sole consideration for this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Kyle McCarter

Isaiah Consulting Group

In her capacity as Principal of Isaiah Consulting

Group and not in her individual capacity.

FEDERAL ELECTION COMMISSION

| IN RE COMPLAINT OF STUBBLEFIED: |) | | |
|---------------------------------------|-------------|-----|----------|
| • |))) | No. | MUR 7007 |
| KYLE MCCARTER FOR CONGRESS COMMITTEE, |) | | |
| Respondent. |) | | |

AFFIDAVIT

I hereby certify under penalties of perjury as to the following matters:

- 1. My name is Elizabeth Van Holt and I am the owner of Isaiah Consulting Group.
- 2. I previously performed contractual work for Citizens for Kyle McCarter ("the state committee") from January 2015-August 2015 as memorialized in the attached written contract.
- 3. My duties for the State Committee included organizing events, donor contact and overall assistance with campaign management.
- 4. Pursuant to the terms of that contract Isaiah Consulting Group was paid approximately \$33,000.00 for my services.
- 5. My duties for the state committee ended as of August 31, 2015.
- 6. On October 7, 2015, Kyle McCarter announced his congressional candidacy.
- 7. I have known Kyle McCarter for a long time and have a strong belief in his ability to serve in public office. I believe that he would make an excellent congressman.
- 8. In October 2015, Mr. Carter and I discussed the possibility of my working for Kyle McCarter for Congress Committee. ("the federal committee"). While we contemplated a contract between Isaiah Consulting and the federal committee, the committee could not afford my services.
- 9. It was agreed between us verbally that I would perform part time volunteer services for the federal committee with the possibility of a written contract down the road.
- 10. My volunteer work for the Federal Committee consisted of some field work and assistance with fundraising.
- 11. During the pendency of my volunteer work for the Federal Committee, I continued providing services to other clients of Isaiah Consulting Group.
- 12. On February 8, 2016, the federal committee reimbursed me in the amount of \$2479 for various expenses incurred as a volunteer including but not limited to hotel stays, skype, food and gas. Since this filing, I have discovered that the campaign improperly designated that sum of money as "fundraising consulting." I have notified the campaign of this error, and have been assured that it will be remedied to reflect that the sum reflects expense reimbursement.

Eph

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| Respondent. |) | | |

AFFIDAVIT

I hereby certify under penalties of perjury as to the following matters:

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- 1. My name is Elizabeth Van Holt and I am the owner of Isaiah Consulting Group.
- 2. I have read all of the allegations in this Affidavit, and all of the facts stated are true and correct to the best of my knowledge.

FURTHER AFFIANT SAYETH NOT

Elizabeth Van Holt

Signed and sworn before me This Aday of March 2016

Notary Public

OFFICE SEAL
SUSAN LOCINCARLOS
VOTARY PUBLIS - ERATE OF ILLINOIS
MY COMMENS - ERATE OF ILLINOIS
MY COMMENS - ERATE OF ILLINOIS